

Program C: Debt Management

Program Authorization: Louisiana Constitution, Article VII, Section 6 and 8, R.S. 39:1401-1472.

Program Description

The mission of the Debt Management Program is to provide staff to assist the State Bond Commission to carry out its constitutional and statutory mandates. The State Bond Commission was created pursuant to Article VII, Section 8 of the Louisiana Constitution of 1974. Its purpose is to monitor, regulate, and coordinate state and local debt and provide for the issuance of debt and arrange for notices and sale of bonds. The goal of the Debt Management Program is to provide assistance to the State Bond Commission by preparing all documentation for the issuance of state debt, reviewing all applications from political subdivisions for approval to issue debt, levy taxes, obtain loans, and accounting for and servicing state debt.

Annually, the state treasury manages approximately \$200 million in new state general obligation debt; provides oversight on approximately \$158 million in loans by local governments; and authorizes new debt that averages \$385 million for local governments.

As of January 2002, Louisiana has the following bond ratings from the New York bond-rating firms.

Moody's A2

Standard & Poors A

Fitch Investors A

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	1,189,132	2,152,074	2,152,074	2,124,679	2,050,396	(101,678)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$1,189,132	\$2,152,074	\$2,152,074	\$2,124,679	\$2,050,396	(101,678)
EXPENDITURES & REQUEST:						
Salaries	\$348,737	\$397,088	\$397,088	\$361,815	\$321,810	(\$75,278)
Other Compensation	26,337	27,300	27,300	27,300	27,300	0
Related Benefits	65,696	60,325	60,325	73,128	62,095	1,770
Total Operating Expenses	75,670	78,015	78,015	79,575	78,015	0
Professional Services	88,251	205,596	205,596	205,596	205,596	0
Total Other Charges	550,597	1,357,350	1,357,350	1,357,350	1,355,580	(1,770)
Total Acq. & Major Repairs	33,844	26,400	26,400	19,915	0	(26,400)
TOTAL EXPENDITURES AND REQUEST	\$1,189,132	\$2,152,074	\$2,152,074	\$2,124,679	\$2,050,396	(101,678)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	8	8	8	8	7	(1)
Unclassified	1	1	1	1	1	0
TOTAL	9	9	9	9	8	(1)

SOURCE OF FUNDING

This program is funded with Self-generated Revenues. Fees and Self-generated Revenues are funded by State Bond Commission fees collected for review of the issuance of debt by private and public entities.

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$2,152,074	9	ACT 12 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$2,152,074	9	EXISTING OPERATING BUDGET - December 20, 2001
\$0	\$2,031	0	Annualization of FY 2001-2002 Classified State Employees Merit Increase
\$0	\$1,029	0	Classified State Employees Merit Increases for FY 2002-2003
\$0	(\$26,400)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$38,333)	0	Salary Base Adjustment
\$0	(\$14,473)	0	Attrition Adjustment
\$0	(\$25,532)	(1)	Gubernatorial Position Reduction of 1 position
\$0	\$2,050,396	8	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$2,050,396	8	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$2,050,396	8	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$205,596	Financial Advisor to State Bond Commission, computer support services for debt management system, court reporting for State Bond Commission meetings
\$205,596	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$1,297,382 State Bond Commission fee rebate - State Bond Commission collects a fee for the review and approval of applications of public and private tax exempt bond issues. Excess fee collections over cost of the operations of the State Bond Commission are rebated pursuant to R.S. 39:1405.1.

\$1,297,382 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$58,198 Legal services and LSU intern program

\$58,198 SUB-TOTAL INTERAGENCY TRANSFERS

\$1,355,580 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding recommended for Acquisitions and Major Repairs for Fiscal Year 2002-2003.